



XCELIGENT™
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INDUSTRIAL MARKET REPORT

Northern Colorado

2nd Quarter 2016

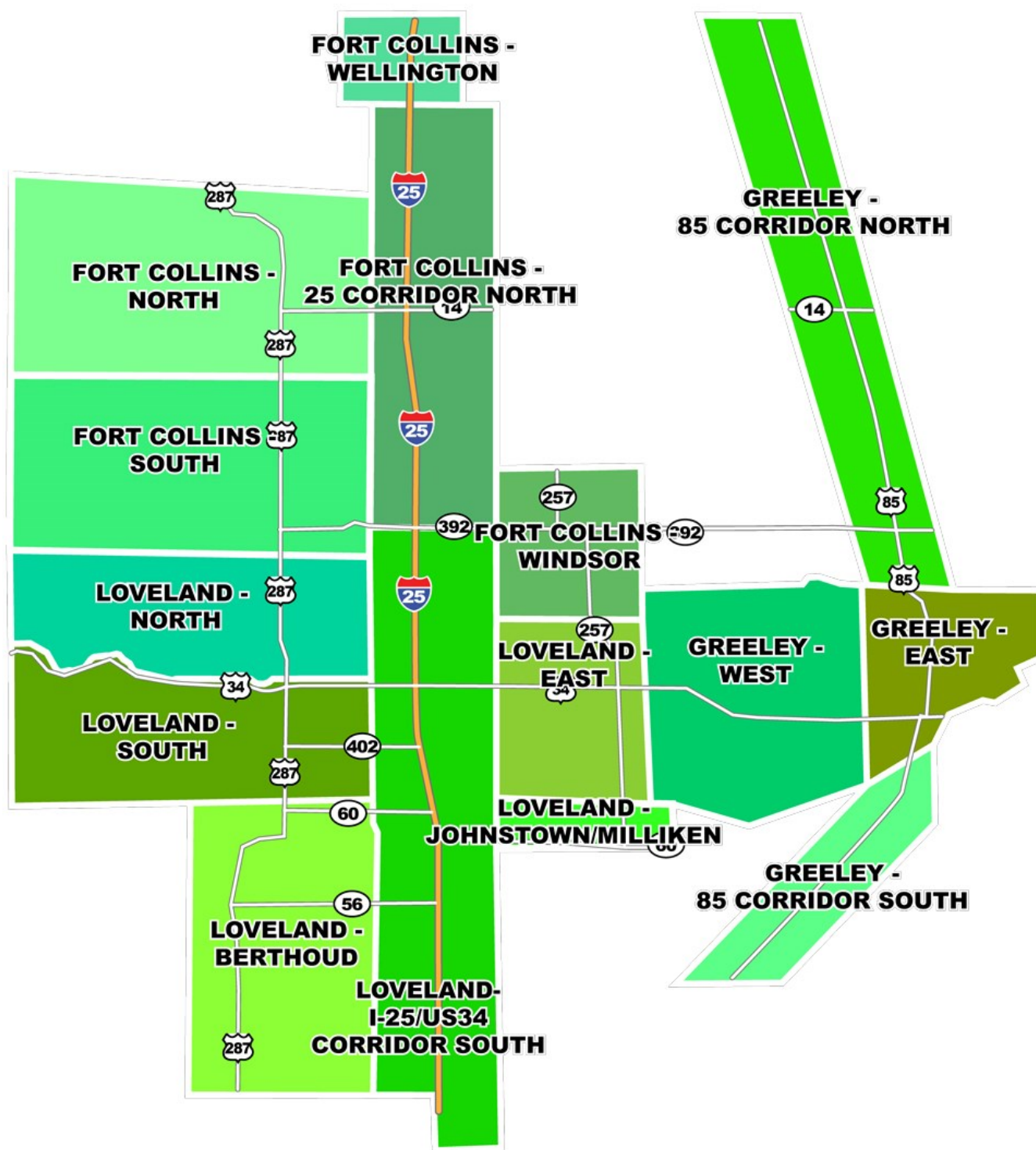


Xceligent is a leading provider of verified commercial real estate information which assists real estate professionals, appraisers, owners, investors and developers that make strategic decisions to lease, sell, buy and develop commercial properties.

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The Northern Colorado tracked set consists of an inventory of buildings considered to be competitive by the brokerage community. All buildings within the competitive tracked set have been reviewed and verified by members of the Advisory Boards for the market area.

Tracked Inventory (Industrial)	The total square feet of all existing single and multi tenant industrial properties greater than 10,000 SF.
Available SF	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space. Space can be available but not vacant, for example, if the landlord, or his agent, is marketing space that will be coming available at a future date because a tenant is planning to move.
Vacant SF	The total of the direct vacant square footage in a building that is being marketed.
Net Absorption	The net change in occupied square feet from quarter to quarter, expressed in square feet.
Note	This report reflects Direct Vacancy and Absorption; Sublease space is excluded.



Overview

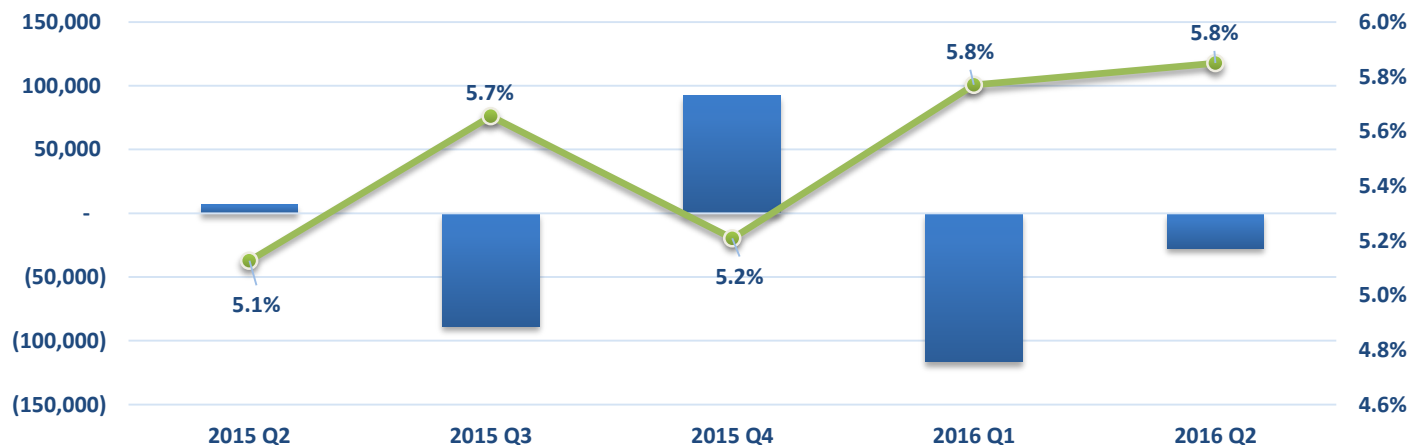
- The Northern Colorado Industrial market closed out the second quarter of 2016 with negative 27,273 square feet of absorption.
- There are several active tenants looking in the market, however, leasing activity continues to remain low due to lack of quality product.
- Rental rates are still at all time highs but have stabilized in most submarkets throughout the region.
- Industrial sales activity has increased substantially and has already surpassed 2008 sales levels.
- Speculative construction is at a near stand-still due to the high costs of construction.
- Landlords continue to want longer lease terms, and are wanting a minimum of 5 year terms for older buildings and up to 7 year terms for new/newer buildings. Very little concessions are being offered, if any.

Vacancy and Absorption – Total							
	# of Bldgs	Inventory (SF)	Total Available (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Total Quarterly Net Absorption (SF)	YTD Total Net Absorption (SF)
Light Industrial	312	7,178,039	343,380	134,244	1.9%	(39,559)	(10,904)
Manufacturing	16	3,178,839	169,816	-	0.0%	0	0
Bulk Warehouse	86	2,506,013	94,745	75,845	3.0%	0	19,136
Whse/Dist	36	3,515,844	399,761	337,344	9.6%	20,000	(145,625)
Flex	88	4,376,705	940,749	666,730	15.2%	(7,714)	(6,244)
Grand Total	538	20,755,440	1,948,451	1,214,163	5.8%	(27,273)	(143,637)

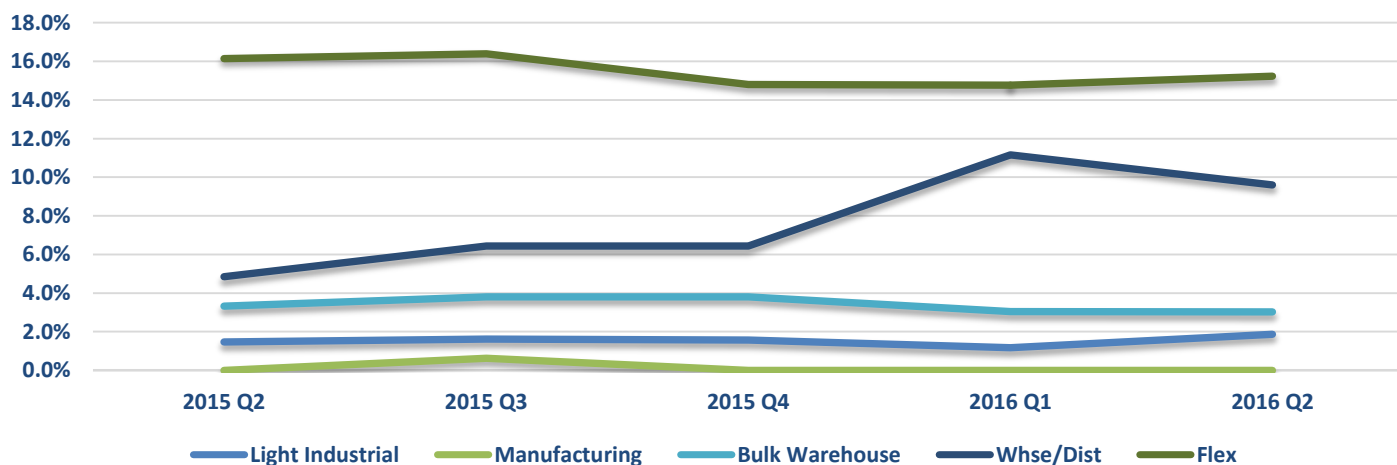
Vacancy and Absorption – Direct Space							
	# of Bldgs	Inventory (SF)	Sum of Direct Available SF	Direct Vacant (SF)	Direct Vacancy Rate (%)	Direct Quarterly Net Absorption (SF)	YTD Direct Net Absorption (SF)
Light Industrial	312	7,178,039	343,380	134,244	1.9%	-39,559	-12,984
Manufacturing	16	3,178,839	0	0	0.0%	0	0
Bulk Warehouse	86	2,506,013	94,745	75,845	3.0%	0	19,136
Whse/Dist	36	3,515,844	234,136	171,719	4.9%	20,000	20,000
Flex	88	4,376,705	905,908	666,730	15.2%	-7,714	-6,244
Grand Total	538	20,755,440	1,578,169	1,048,538	5.1%	-27,273	19,908

Vacancy and Absorption – Sublet Space							
	# of Bldgs	Inventory (SF)	Available Sublease (SF)	Sublease Vacant (SF)	Sublease Vacancy Rate (%)	Sublease Quarterly Absorption (SF)	YTD Sublease Net Absorption (SF)
Light Industrial	312	7,178,039	-	-	0.0%	-	2,080
Manufacturing	16	3,178,839	169,816	-	0.0%	-	-
Bulk Warehouse	86	2,506,013	-	-	0.0%	-	-
Whse/Dist	36	3,515,844	165,625	165,625	4.7%	-	(165,625)
Flex	88	4,376,705	34,841	-	0.0%	-	-
Grand Total	538	20,755,440	370,282	165,625	0.8%	-	(163,545)

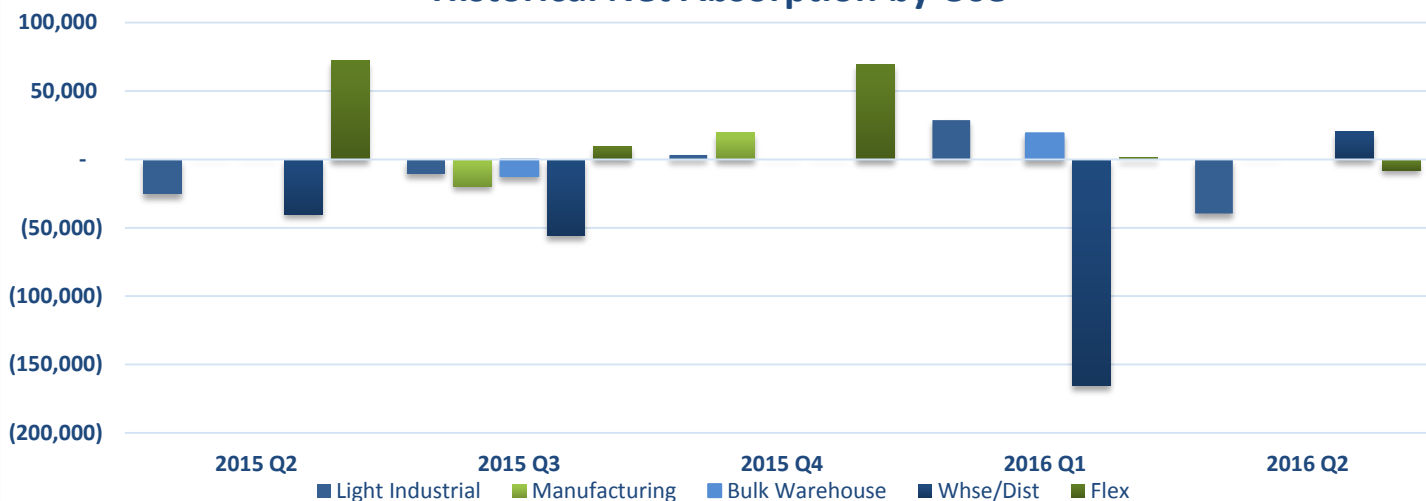
Historical Vacancy Rate & Net Absorption



Historical Vacancy Rates by Use



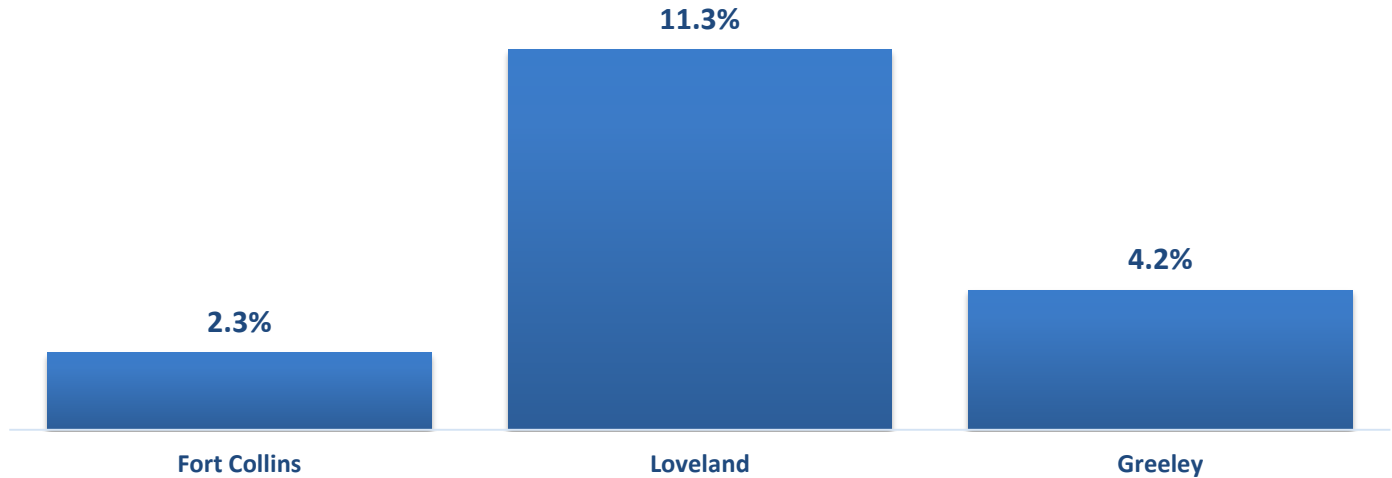
Historical Net Absorption by Use



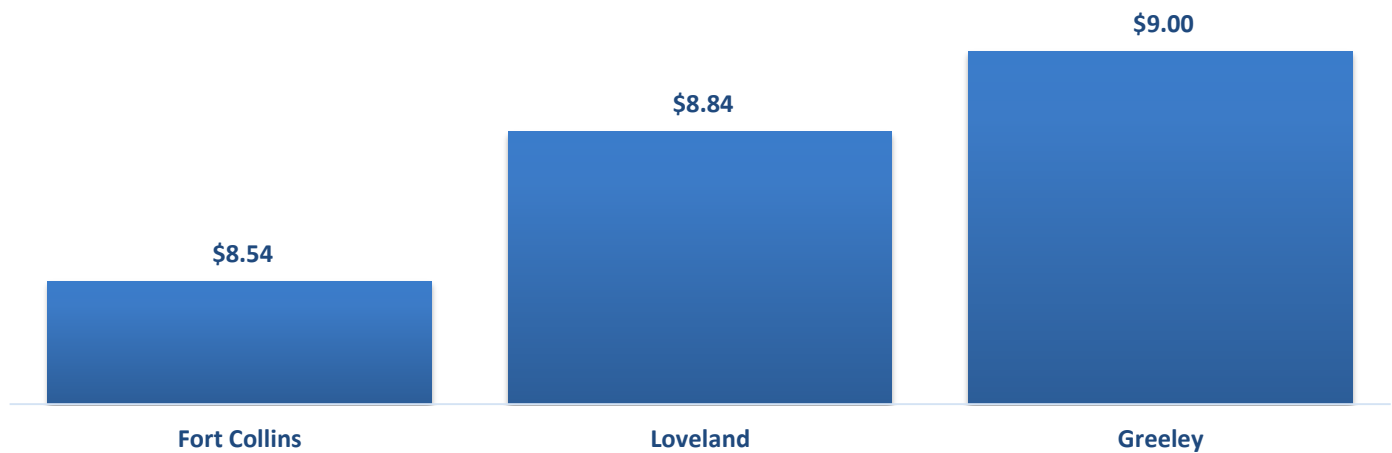
	# of Bldgs	Inventory (SF)	Total Vacant (SF)	Sublease Vacant (SF)	Vacancy Rate (%)	Total Quarterly Absorption	YTD Total Net Absorption (SF)
Fort Collins	221	9,353,772	215,216	-	2.3%	(38,857)	(16,235)
North	127	3,321,434	106,125	-	3.2%	(38,857)	(35,887)
Light Industrial	90	1,945,400	50,134	-	2.6%	(42,839)	(41,339)
Bulk Warehouse	7	191,222	-	-	0.0%	-	-
Whse/Dist	8	394,103	-	-	0.0%	20,000	20,000
Flex	22	790,709	55,991	-	7.1%	(16,018)	(14,548)
South	30	844,670	62,871	-	7.4%	-	-
Light Industrial	7	171,220	-	-	0.0%	-	-
Bulk Warehouse	3	52,190	-	-	0.0%	-	-
Whse/Dist	5	185,204	41,225	-	22.3%	-	-
Flex	15	436,056	21,646	-	5.0%	-	-
Windsor	23	1,559,894	26,220	-	1.7%	-	-
Light Industrial	12	415,056	-	-	0.0%	-	-
Manufacturing	2	295,646	-	-	0.0%	-	-
Bulk Warehouse	3	51,470	26,220	-	50.9%	-	-
Whse/Dist	1	214,750	-	-	0.0%	-	-
Flex	5	582,972	-	-	0.0%	-	-
I-25 Corridor North	41	3,627,774	20,000	-	0.6%	-	19,652
Light Industrial	21	610,656	-	-	0.0%	-	19,652
Manufacturing	3	1,423,879	-	-	0.0%	-	-
Bulk Warehouse	2	34,360	-	-	0.0%	-	-
Whse/Dist	4	369,218	-	-	0.0%	-	-
Flex	11	1,189,661	20,000	-	1.7%	-	-
Greeley	100	4,062,500	168,978	-	4.2%	(2,700)	9,533
East	79	3,259,191	163,194	-	5.0%	(2,700)	9,533
Light Industrial	43	955,265	6,700	-	0.7%	(2,700)	9,533
Manufacturing	5	1,008,746	-	-	0.0%	-	-
Bulk Warehouse	24	657,495	26,000	-	4.0%	-	-
Whse/Dist	6	581,155	130,494	-	22.5%	-	-
Flex	1	56,530	-	-	0.0%	-	-
West	16	430,394	5,784	-	1.3%	-	-
Light Industrial	9	222,705	-	-	0.0%	-	-
Bulk Warehouse	2	85,654	-	-	0.0%	-	-
Flex	5	122,035	5,784	-	4.7%	-	-
85 Corridor North	5	372,915	-	-	0.0%	-	-
Light Industrial	2	40,140	-	-	0.0%	-	-
Bulk Warehouse	2	233,542	-	-	0.0%	-	-
Whse/Dist	1	99,233	-	-	0.0%	-	-
Loveland	217	7,339,168	829,969	165,625	11.3%	14,284	(136,935)
North	17	505,260	-	-	0.0%	-	-
Light Industrial	11	198,895	-	-	0.0%	-	-
Manufacturing	2	186,689	-	-	0.0%	-	-
Bulk Warehouse	3	94,118	-	-	0.0%	-	-
Flex	1	25,558	-	-	0.0%	-	-
I-25 Corridor South	108	4,122,501	224,381	165,625	5.4%	17,475	(178,445)
Light Industrial	62	1,311,088	25,150	-	1.9%	9,171	2,501
Manufacturing	3	248,632	-	-	0.0%	-	-
Bulk Warehouse	19	563,409	23,625	-	4.2%	-	(23,625)
Whse/Dist	9	1,633,469	165,625	165,625	10.1%	-	(165,625)
Flex	15	365,903	9,981	-	2.7%	8,304	8,304
East	3	143,999	-	-	0.0%	-	42,761
Light Industrial	1	46,125	-	-	0.0%	-	-
Bulk Warehouse	2	97,874	-	-	0.0%	-	42,761
(blank)	1	13,712	-	-	0.0%	-	-
Whse/Dist	1	13,712	-	-	0.0%	-	-
South	88	2,553,696	605,588	-	23.7%	(3,191)	(1,251)
Light Industrial	54	1,261,489	52,260	-	4.1%	(3,191)	(1,251)
Manufacturing	1	15,247	-	-	0.0%	-	-
Bulk Warehouse	19	444,679	-	-	0.0%	-	-
Whse/Dist	1	25,000	-	-	0.0%	-	-
Flex	13	807,281	553,328	-	68.5%	-	-
Grand Total	538	20,755,440	1,214,163	165,625	5.8%	(27,273)	(143,637)

Vacancy Rate %						Average Direct Asking Rental Rates - NNN				
	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Fort Collins	2.2%	3.3%	2.5%	2.3%	2.3%	\$8.38	\$9.19	\$8.84	\$8.73	\$8.54
North	2.5%	3.0%	3.2%	3.1%	3.2%	\$9.85	\$8.90	\$8.32	\$8.34	\$8.75
South	5.0%	7.4%	7.4%	7.4%	7.4%	\$7.60	\$9.24	\$8.43	\$8.33	\$8.33
Windsor	-	3.0%	1.7%	1.7%	1.7%	-	-	\$8.00	\$8.50	-
I-25 Corridor North	2.3%	2.8%	1.1%	0.6%	0.6%	\$8.53	\$9.36	\$10.75	\$11.57	\$8.50
Greeley	4.1%	4.5%	4.4%	4.1%	4.2%	\$10.67	\$8.81	\$8.82	\$10.85	\$9.00
East	5.1%	5.4%	5.3%	4.9%	5.0%	\$10.67	\$8.81	\$8.82	\$10.85	\$9.00
West	-	1.3%	1.3%	1.3%	1.3%	-	-	-	-	-
85 Corridor North	-	-	-	-	-	-	-	-	-	-
Loveland	9.4%	9.3%	9.1%	11.2%	11.3%	\$8.97	\$8.91	\$8.85	\$8.99	\$8.84
North	0.3%	-	-	-	-	-	-	\$8.25	-	-
I-25 Corridor South	1.1%	0.5%	0.5%	5.3%	5.4%	\$8.95	\$8.69	\$8.31	\$9.24	\$9.27
East	29.7%	29.7%	29.7%	-	-	-	-	-	-	-
South	23.4%	24.0%	23.7%	23.6%	23.7%	\$8.97	\$8.92	\$8.91	\$8.98	\$8.80
Grand Total	5.1%	5.7%	5.2%	5.8%	5.9%	\$8.85	\$8.99	\$8.85	\$8.95	\$8.74

Vacancy Rate by Submarket

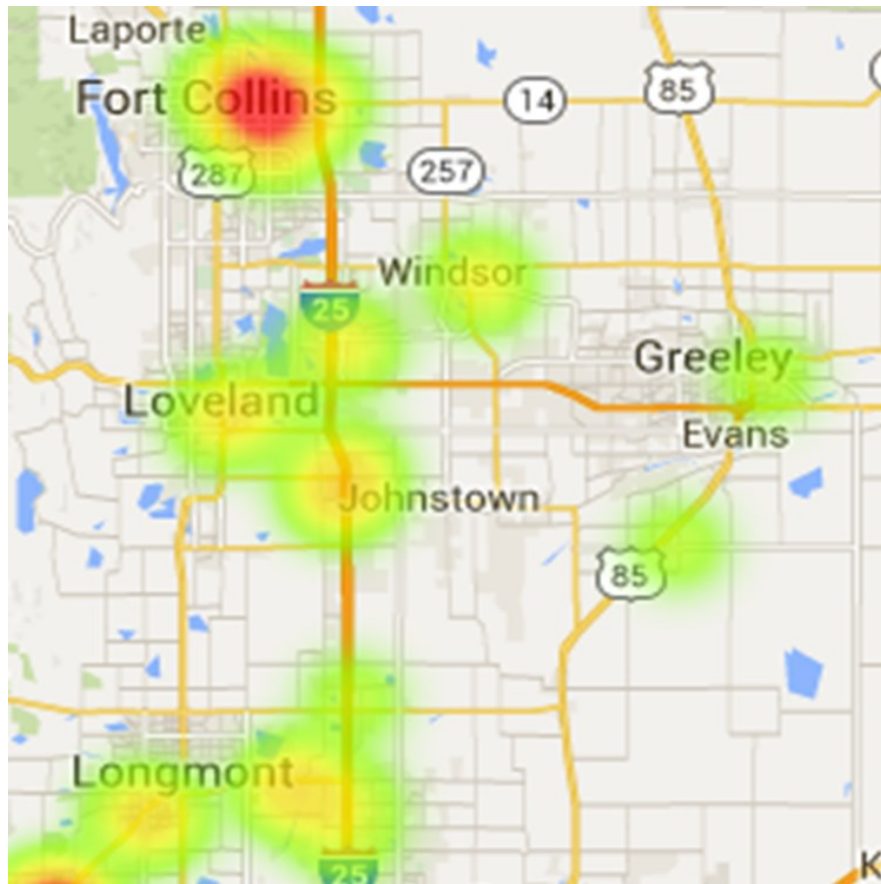


Average Asking Rates by Submarket (NNN)



Asking Lease Rate Range by Type (NNN)



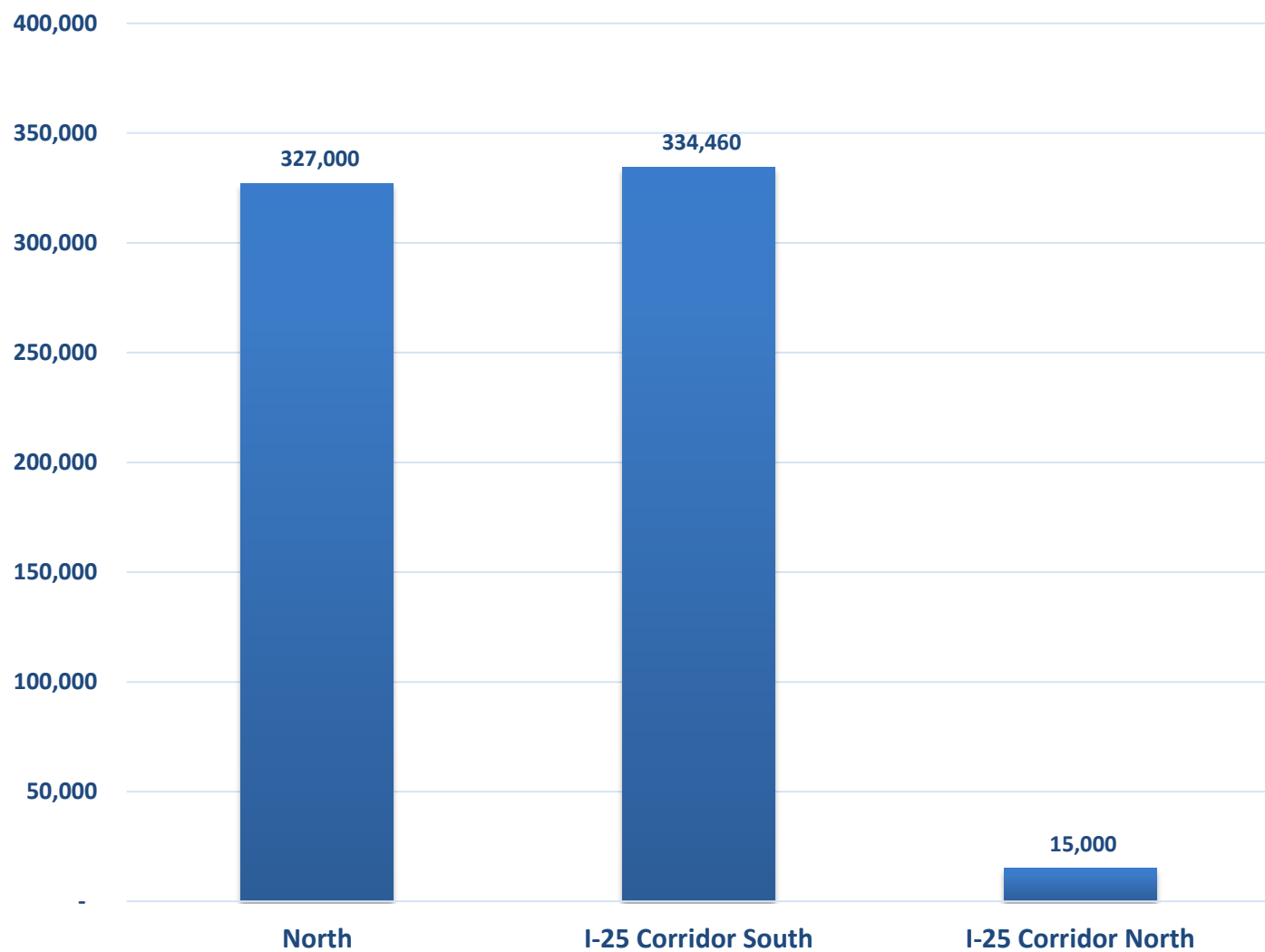


Largest Absorption Changes

Property Name	SF Occupied or Vacated	Tenant Name	Submarket	Specific Use
128 Racquette Dr	20,000	Natural Supplements, LLC	Ft. Collins - North	Warehouse/Distribution
14330 Longs Peak Ct	14,280	Anderson Windows	Loveland - I-25 Corridor South	Light Industrial
1925 S Timberline Rd	1,920	Funk E Built and Nathan Lopez	Ft. Collins - North	Light Industrial
1401 Duff Dr	1,875	BenchCraft	Ft. Collins - North	Light Industrial
300 E 16th St Bldg 3	1,500	Concrete Contractor	Greeley - East	Light Industrial
300 E 16th St	(4,200)	Majestic Manufacturing and Fastenal	Greeley - East	Light Industrial
4005-4009 S Valley Dr	(5,000)	Re-Bath	Loveland - I-25 Corridor South	Light Industrial
1418 E Magnolia St	(7,309)	Granite Company	Ft. Collins - North	Light Industrial
1212 Riverside Ave	(12,000)	The Denver Post	Ft. Collins - North	Flex
2479 International Blvd	(37,450)	Educator's Outlet and Learning Advantage	Ft. Collins - North	Light Industrial

Top Transactions						
Property Name	Sale Price	SF Sold	Buyer	Seller	Submarket	Specific Use
3825 E Mulberry St	\$5,674,000	100,778	Mulberry Self Storage LLC	Fenyx Holdings LLC	Ft. Collins - I-25 Corridor North	Flex
Ironwood Business Park Bldg 2	\$3,200,000	38,000	Grand K LLC	PV Ironwood LLC	Greeley - East	Light Industrial
3824 Canal Dr	\$1,836,000	21,174	3824 Canal LLC	Rolling Frito-Lay Sales LP	Ft. Collins - I-25 Corridor North	Warehouse/ Distribution
1409 Duff Dr	\$1,815,000	21,765	Greenlee Investments LLLP	Donna L Jensen Living Trust	Ft. Collins - North	Light Industrial
4472 Mulligan St	\$1,487,053	21,484	SNH LLC	FS-3 LLC	Loveland - I-25 Corridor South	Light Industrial
128 Racquette Dr	\$1,400,000	20,000	Natural Supplements LLC	GFC Investments In	Ft. Collins - North	Warehouse/ Distribution

Current New Construction by Submarket



Northern Colorado	
Brinkman Commercial	Josh Guernsey
CBRE	Peter Kast
Chrisland Commercial RE	Jake Hallauer
Cushman & Wakefield	Jared Goodman
LC Real Estate Group	Nate Klein
RealTec	Marc Bradley Ron Kuehl
Sperry Van Ness	Bill Reilly
The Group Inc.	Craig Hau
WW Reynolds	Terri Hanna

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